

## **SECTION 4 BACKGROUND**

### **4.1 Mission, Vision and Values**

Within the Department of Economic Security (DES), the Division of Developmental Disabilities (the Division or DDD) is responsible for providing community developmental services and supports to over 16,000 Arizonans with developmental disabilities and acute care only or case management only to an additional 5,000 Arizonans with developmental disabilities. In carrying out this responsibility, the Division's mission is:

“To support the choices of individuals with disabilities and their families by promoting and providing within communities, flexible, quality, consumer-driven services and supports.”

The Division's vision is:

“Individuals with developmental disabilities are valued members of their communities and are involved and participating based on their own choices.”

This results in the Division supporting a program that values:

- ❑ Healthy relationships with people;
- ❑ Individual and family priorities and choices;
- ❑ Equal access to quality services and supports for all individuals and families;
- ❑ Partnerships and ongoing communication with individuals, family members, advocates, providers, and community members;
- ❑ Developmental approaches – changing conditions that affect people rather than changing people who are affected by conditions;
- ❑ Individual freedom from abuse, neglect and exploitation with a balance between the right to make choices and experience life and individual safety;
- ❑ A diverse workforce that is motivated, skilled and knowledgeable of and uses the most effective practices known;
- ❑ An environment rich in diversity in which each person is respected and has the opportunity to reach their optimal potential;
- ❑ An individual's right to choose to participate in and contribute to all aspects of home and community life;
- ❑ A system of services and supports which are:
  - Responsive – timely and flexible responses to internal and external customers;
  - Strength based – recognizing people's strengths, promoting self-reliance, enhancing confidence and building on community assets;

- Effective – ongoing identification of effective methods and practices and incorporation of those practices into operations; and
- Accountable – to our customers and to the taxpayers.

## **4.2 Program Eligibility**

To be eligible for services a person must be an Arizona resident who has a chronic disability that:

- ☐ Is attributable to mental retardation, cerebral palsy, epilepsy or autism;
- ☐ Was manifested before the age of 18;
- ☐ Is likely to continue indefinitely; and
- ☐ Reflects the need for a combination and sequence of individually planned or coordinated special, interdisciplinary or generic care, treatment or other services that are of lifelong or extended duration.

The disability also must result in substantial functional limitations in three or more of the following areas of major life activity:

- ☐ Self-care
- ☐ Receptive and expressive language
- ☐ Learning
- ☐ Mobility
- ☐ Self-direction
- ☐ Capacity for independent living
- ☐ Economic self-sufficiency

Children under the age of six years may be eligible for services if there is a strongly demonstrated potential that the child is or will become developmentally disabled but for whom no formal diagnosis has been made.

Individuals who are determined eligible for services through the Division may also be eligible for services through the Arizona Long Term Care System (ALTCS) program administered by the Arizona Health Care Cost Containment System Administration (AHCCCSA). Individuals who may be eligible for ALTCS are referred to AHCCCSA for ALTCS eligibility determination. (See A.R.S. 36-559 and Arizona Administrative Code (A.A.C.), Chapter 6, Title 6, Articles 3, 4 and 5 for a more detailed description of the eligibility determination process.)

### 4.3 Program Description

In State Fiscal Year (Fiscal Year) 2002, the Division provided services to over 21,000 consumers. The Division provided services covered by this RFQVA to about 16,000 consumers, of whom approximately 12,500 were eligible for ALTCS. Table 4.1 below depicts the number of consumers who received various community developmental services by district and in total during Fiscal Year 2002.

**Table 4.1**  
**Consumer Counts by Service, By Funding Source, and By Provider Type**

	District 1	District 2	District 3	District 4	District 5	District 6	No District	Total
<b>Number of Consumers Receiving Services By Service</b>								
<i>Home-Based Services</i>								
Attendant Care	1,254	363	250	59	123	87	6	2,142
Habilitation, Support	2,116	477	548	147	109	117	2	3,516
Housekeeping	48	42	14	0	3	10	0	117
Respite	3,180	973	798	250	215	278	19	5,713
<i>Day Treatment and Training Services</i>								
Day Treatment and Training, Adult	1,641	601	500	174	159	166	2	3,243
Day Treatment and Training, Child (After-School and Summer)	1,636	568	33	0	30	36	24	2,327
<i>Developmental Home Services</i>								
Habilitation, Vendor Supported Developmental Home (Child and Adult)	192	7	3	1	3	0	0	206
Room and Board, Vendor Supported Developmental Home (Child and Adult)	189	7	4	1	3	0	0	204
<i>Independent Living Services</i>								
Habilitation, Individually Designed Living Arrangement	38	201	44	21	7	41	0	352
<i>Group Home Services</i>								
Habilitation, Community Protection and Treatment Group Home	23	1	3	0	0	0	0	27
Habilitation, Group Home	1,218	391	348	82	107	88	1	2,235
Habilitation, Nursing Supported Group Home	23	25	1	1	3	0	0	53

	District 1	District 2	District 3	District 4	District 5	District 6	No District	Total
Room and Board, All Group Homes	1,428	423	225	92	151	93	0	2,412
<i>Professional Services</i>								
Home Health Aide	7	9	3	0	0	0	0	19
Nursing	478	687	145	69	84	140	3	1,606
Occupational Therapy	3,123	1,136	437	182	366	162	141	5,547
Physical Therapy	2,566	899	393	198	371	158	119	4,704
Speech Therapy	3,065	1,175	437	203	375	160	94	5,509
<i>Other Services</i>								
Transportation	1,645	219	249	106	124	138	18	2,499
All Other Services	3,231	2,243	604	252	580	355	125	7,390
<b>Total Unduplicated Number of Consumers Receiving Services</b>	8,787	3,242	1,689	615	923	633	125	16,014
<b>Number of ALTCS Consumers</b>	7,212	2,132	1,359	513	539	458	302	12,515
<b>Number of Consumers Served by Provider Type</b>								
<i>Standard Contract Provider</i>	8,548	3,025	1,633	521	802	539	59	15,127
<i>Individual Service Agreement Provider</i>	1,783	1,947	514	373	420	421	88	5,546
<i>Both</i>	1,544	1,730	458	279	299	327	22	4,659

The table includes consumers utilizing the services covered by the Request for Qualified Vendor Applications (RFQVA) as well as consumers receiving community developmental services not covered by the RFQVA (the “All Other Services” category). Since many consumers receive more than one service, the total number of consumers by service far exceeds the total number of consumers. The figures presented do not include individuals that receive either case management only or acute care only. Similarly, the figures do not include individuals that did not receive any community developmental services from the Division in Fiscal Year 2002.

The table depicts that about 55% of the individuals that receive community developmental services from the Division reside in District 1, with Districts 2 and 3 providing services to 20% and 10.5% respectively of all consumers receiving community developmental services. Approximately 15,100 individuals received services from standard contract providers, and about 5,500 individuals received services from individual service agreement (ISA) providers. Approximately 4,700 individuals received services from both standard contract providers and ISA providers.

The Division coordinates services and resources through a central administrative office, District offices and local offices in various communities throughout the state. A comprehensive array of services are provided to consumers based on the person's identified needs, State and/or Federal guidelines and, when applicable, the availability of funds. While the Division provides a limited number of services directly, the majority of services are provided through contracts with individuals or provider agencies. These contracted services include support coordination services, home- and community-based services, institutional services and acute care services. Some of the services, such as acute care services, are available only to certain consumers. (See A.R.S. 36-558 and *DES/DDD Policy and Procedure Manual*, available on the Division's website [www.de.state.az.us/ddd](http://www.de.state.az.us/ddd), for a more detailed description of Division services.) Wherever possible, prior to authorizing services, the Division looks first at services or other forms of assistance that may be provided through existing community resources or family members.

Division services are funded through various means – Title XIX Medicaid (Federal and State matching monies) and State appropriations, with some additional funding available through Title XX and grants. However, Title XIX is the principle source of funds. The Division receives monthly capitation payments from AHCCCSA to deliver acute and long term care services to eligible ALTCS consumers and targeted case management services to Arizona Health Care Cost Containment System (AHCCCS)-eligible consumers. These funds, in turn, are appropriated by the Arizona State Legislature to DES/DDD for expenditure.

Home- and community-based service costs for ALTCS-eligible consumers must not exceed the cost of an Intermediate Care Facility/Mental Retardation (ICF/MR) placement, unless the Division requests and receives approval from AHCCCSA. For total service costs, which exceed 80% of an ICF/MR placement, the Division must conduct a cost effectiveness study; including development of a plan to prospectively reduce the costs over the next six months. (See *DES/DDD Policy and Procedures Manual – Chapter 905*.)

#### **4.4 Consumer Choice**

Building upon its core mission and value statements, the Division has, over the past several years, begun an initiative to move its current program toward a model of self-determination – promoting and increasing consumer and family control over the purchase and selection of services and providers. Recent amendments to A.R.S. §36-557 and the implementation of rules pursuant to A.R.S. §36-557 establish consumer choice of providers in law and rule. Consumer choice will be the basis for provider selection. The responsibilities and roles which were formerly the primary responsibility of the Division are now meaningfully shifted to consumers and Qualified Vendors. Two new roles for the Division are to facilitate consumer choice and to assist Qualified Vendors to effectively make their program plans and availability known to consumers.

This RFQVA process, including the Qualified Vendor Application and Directory System, is designed to help the Division fulfill this new mandate. The Division will enter into Qualified Vendor Agreements with vendors that meet the minimum RFQVA requirements. Applicants

will not be subject to a prospective quality evaluation of their program prior to the award of a Qualified Vendor Agreement (contract) by the Division. This is very different from all prior awards of contracts. The determination of quality service will be determined largely by consumer choice on an ongoing basis. Consumers will be able to change providers, utilize multiple providers, and encourage potential providers to apply to become a provider on an ongoing basis.

For some services, consumer choice will have some limitations. For example, group services, such as group homes and day treatment and training programs, consumer choice will be a shared responsibility of the group of consumers who will be sharing service provision. This will involve reaching consensus for a single choice among the entire group of consumers. For capacity based services, i.e., group homes or day treatment and training programs, consumer choice may be limited to Qualified Vendors who have existing capacity for service until the Division determines additional capacity is needed and can be supported by Division funding.

The Division's ability to provide services is based on available funding. Every effort will be made by the Division to effectively and efficiently provide service to all eligible consumers. It is the expectation of the Division that consumers and Qualified Vendors will assist the Division in efficient and effective service planning and delivery.

#### **4.5 Published Rate Schedules**

The published rate schedules that are referenced and incorporated into the RFQVA are the result of the statutes that mandate the Division to adopt a published rate system (see A.R.S. 36-557). The published rate schedules:

- ❑ Satisfy the legislative mandate that the Division adopt a published rate system;
- ❑ Provide a critical element to the redesigned service procurement process that is contained in this RFQVA; and
- ❑ Provide equity and simplicity to the Division's reimbursement systems.

The Division produced and distributed a Provider Letter, dated January 21, 2003 concerning the published rate schedule. The letter and its attachments address:

- ❑ The development of the Benchmark Rates through the independent rate setting process;
- ❑ The State budgetary constraints that forced, and the methodology used by the Division, to scale back the Benchmark Rates to the Adopted Rates;
- ❑ The implementation of the Adopted Rates in Fiscal Year 2004 through a phase-in process; and
- ❑ The independent rate models that were used to develop the Benchmark Rates.

The Provider Letter, and its attachments, as well as any updates to the published rate schedules may be found on the Division's web site at [www.de.state.az.us/ddd](http://www.de.state.az.us/ddd). The Division is anticipating release of the final published rate schedules prior to or on April 7, 2003.

The published rate schedules that will initially apply to this RQVA, to be published prior to or on April 7, 2003 will not include rates for independent providers (non-agency rates). The independent provider rates (non-agency rates) included in the draft rate schedules that were released on January 21, 2003 for Attendant Care; Habilitation, Support; Housekeeping; Respite; Day Treatment and Training, Adult; Day Treatment and Training, Children (After-School); Day Treatment and Training, Children (Summer); Habilitation, Individually Designed Living Arrangement; and Transportation (Family) will be withdrawn. The rates will be re-released in the fall of 2004 after the development and administration of the statewide individual consumer level of need assessment process and the adoption of rate modifiers. Until that time independent providers will continue to be compensated pursuant to the independent rate schedule in the district where the consumer resides. After the statewide rates for independent providers (non-agency rates) are published, independent providers, whether or not they are Qualified Vendors, will receive the applicable statewide independent provider rate as modified by the individual consumer level of need assessment.